

Item # _____
Commissioner J. W. Gibson _____

Prepared By: Richard J. Miller _____
Approved By: Brian Kuhn _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, MAKING PROVISION FOR THE RAISING ANNUALLY BY TAX UPON ALL PROPERTY SUBJECT TO TAXATION BY SHELBY COUNTY, TENNESSEE, OF A SUM SUFFICIENT TO PAY, AS THE SAME SHALL BECOME DUE, THE INTEREST ON AND PRINCIPAL AMOUNT OF NOT EXCEEDING ONE HUNDRED TWENTY MILLION DOLLARS (\$120,000,000) OF GENERAL OBLIGATION PUBLIC IMPROVEMENT AND SCHOOL BONDS, 2009 SERIES B AUTHORIZED BY AN INITIAL RESOLUTION ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, ON FEBRUARY 11, 2008 FOR THE PURPOSE OF REFINANCING ALL OR A PORTION OF THE COUNTY'S OUTSTANDING CAPITAL OUTLAY EXTENDIBLE MUNICIPAL COMMERCIAL PAPER (EMCP) NOTES, 2008 SERIES A, PREVIOUSLY ISSUED FOR THE PURPOSE OF PROVIDING FUNDS FOR PUBLIC WORKS PROJECTS AND SCHOOL PURPOSES IN SHELBY COUNTY, TENNESSEE; AUTHORIZING THE USE OF A PRELIMINARY OFFICIAL STATEMENT, NOTICE OF SALE, SUMMARY NOTICE OF SALE AND BID FORMS IN CONNECTION WITH THE SALE OF SUCH BONDS; AUTHORIZING THE COUNTY MAYOR TO ACCEPT THE BEST BIDS FOR THE PURCHASE OF THE BONDS; PRESCRIBING THE MAXIMUM INTEREST RATE TO BE BORNE THEREBY, THE FORM THEREOF AND CERTAIN DETAILS RELATING THERETO; AUTHORIZING A PORTION OF SUCH BONDS TO BE ISSUED AS "BUILD AMERICA BONDS" AS DESIGNATED BY THE MAYOR UPON ADVICE OF THE COUNTY'S FINANCIAL ADVISOR AND CHIEF ADMINISTRATIVE OFFICER; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH; APPOINTING FINANCIAL ADVISORS; PROVIDING FOR CERTAIN OTHER MATTERS DEEMED NECESSARY AND PROPER IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE SALE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE HEREOF. SPONSORED BY COMMISSIONER J. W. GIBSON.

WHEREAS, Shelby County, Tennessee (the "County") is authorized to issue general obligation bonds and general obligation school bonds, pursuant to Sections 9-21-101, et seq., and 49-3-1001, et seq. of the Tennessee Code Annotated (the "T.C.A."); and

WHEREAS, the Board of County Commissioners of Shelby County, Tennessee (the "Board") on February 11, 2008 adopted an initial resolution (the "Initial Resolution") entitled: **"AN INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION SCHOOL BONDS OF SHELBY COUNTY, TENNESSEE, IN THE AGGREGATE MAXIMUM PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS (\$120,000,000), TO BE ISSUED IN ONE OR MORE SERIES, TO FINANCE OR REFINANCE PUBLIC WORKS PROJECTS IN SHELBY COUNTY PURSUANT TO SECTION 9-21-101, ET SEQ., OF THE TENNESSEE CODE ANNOTATED AND IN THE CASE OF BONDS ISSUED FOR SCHOOL PURPOSES PURSUANT TO SECTION 49-3-1001, ET SEQ., OF THE TENNESSEE CODE ANNOTATED; AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION SCHOOL BONDS PURSUANT TO THE REQUIREMENTS OF PART 5 OF CHAPTER 21 OF TITLE 9 OF THE TENNESSEE CODE ANNOTATED OR CAPITAL OUTLAY NOTES PURSUANT TO PART 6 OF CHAPTER 21 OF TITLE 9 OF TENNESSEE CODE ANNOTATED; AND TO PAY THE COSTS OF ISSUANCE AND SALE OF SUCH BONDS AND PROVIDING AN EFFECTIVE DATE,"** pursuant to requirements of Section 9-21-205 of the T.C.A., authorizing the issuance, from time to time, of its General Obligation Bonds and General Obligation School Bonds in the aggregate principal amount of not to exceed One Hundred Twenty Million Dollars (\$120,000,000); none of which has been issued; and

WHEREAS, notice of the adoption of the Initial Resolution was duly published, pursuant to the requirements of Section 9-21-206 of the T.C.A., on February 13, 2008 in THE COMMERCIAL APPEAL, a newspaper of general circulation in Shelby County, Tennessee and no petition protesting the issuance of such Bonds has been filed with the County Clerk and the protest period set forth in Section 9-21-206 of the T.C.A. has expired; and

WHEREAS, the County, pursuant to Part 6 of Chapter 21 of Title 9 of the T.C.A., the Initial Resolution and a Resolution of the Board adopted on February 11, 2008, has previously authorized and issued its not exceeding \$120,000,000 Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, 2008 Series A (the "EMCP Notes") for the purpose of providing funds for public works projects and school purposes in the County, approximately \$120,000,000 of which are currently outstanding (the "2008 EMCP Program"); and

WHEREAS, on February 19, 2008 the Tennessee State Director of Local Finance authorized the County to convert the EMCP Notes to general obligation bonds in accordance with Title 9 of Chapter 21 of the Tennessee Code Annotated; and

WHEREAS, the County, pursuant to Section 9-21-101, et seq. of the T.C.A. and in the case of bonds for school purposes, Section 49-3-1001, et seq. of the T.C.A. (collectively, the "Act"), has the power to issue by resolution general obligation bonds for public works projects and for school purposes and to provide for the rights of the holders thereof, and to secure such bonds as provided in the Act; and

WHEREAS, the Board believes it to be in the best interest of the County to refinance all or a portion of the outstanding EMCP Notes through the issuance of general obligation bonds and general obligation school bonds pursuant to the provisions of the Act.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, AS FOLLOWS:

1. Pursuant to the authorization of the Initial Resolution, there are hereby authorized to be issued and sold in one or more series, subseries or tranches, bonds in the principal amount of not to exceed One Hundred Twenty Million Dollars (\$120,000,000) to be designated as "General Obligation Public Improvement and School Bonds, 2009 Series B" (the "Bonds"); with such other designations as will distinguish the portion, if any, of the Bonds being issued as BABs (as defined below). The Bonds not issued as BABs are referred to herein as "Tax-Exempt Bonds." The Bonds shall be in the denomination of Five Thousand Dollars (\$5,000) each, and integral multiples thereof, shall be dated such date and shall bear interest from such date payable at such times, in such amounts and at such rates as shall be determined by the County Mayor in accordance with the parameters set forth herein. The Bonds shall be issued in fully registered form without coupons.

The Tax-Exempt Bonds shall mature within thirty (30) years of their issue. The Tax-Exempt Bonds shall bear interest at such rate or rates not to exceed 6.5% per annum. The Mayor, upon the advice of the County's Financial Advisors and Chief Administrative Officer and Director, Division of Administration and Finance, is authorized to determine the terms of redemption provisions, if any, to provide the best market acceptance of the Tax-Exempt Bonds.

A portion of the Bonds may be issued as Build America Bonds (Direct Payment)("BABs") authorized under Section 54AA of the Internal Revenue Code, of the 1986, as amended (the "Code"), as further described in Internal Revenue Service Notice 2009-26 (effective April 3, 2009). The BABs shall mature within thirty (30) years of their issue, and bear interest at such rate or rates not to exceed 8.5% per annum. The Mayor, upon advice of the County's Financial Advisors and the Chief Administrative Officer and Director, Division of Administration and Finance is authorized to designate a portion of the Bonds as BABs, and determine the terms of redemption, if any, to provide the best market acceptance of the BABs. The principal amount of BABs shall not exceed the amount of BABs that can be currently be issued consistent with the provisions of the American Recovery and Reinvestment Tax Act of 2009 ("ARRTA") as represented by draws on the 2008 EMCP Program that occurred after the effect date of ARRTA, i.e., after February 17, 2009.

The Tax-Exempt Bonds shall be sold at public sale for not less than ninety-eight percent (98%) of the par value thereof and accrued interest thereon. BABs shall be sold at public sale for not less than ninety-eight percent (98%) and not more than one hundred and one quarter of one percent (100.25%) of the par value thereof and accrued interest thereon. Notice of the public sale shall be published in summary form in the manner required by Section 9-21-203 of the Tennessee Code Annotated. The use and distribution of the Notice of Sale of the Bonds, Bid Forms and Summary Notice of Sale in connection with the sale of the Bonds in substantially the forms

submitted at this meeting, together with such changes, modifications and deletions as the Chief Administrative Officer and Director, Division of Administration and Finance (upon advice of the County Attorney, Bond Counsel and the Financial Advisors) shall deem necessary and appropriate is hereby approved and authorized. In this regard, the Chief Administrative Officer and Director of Division of Administration and Finance is hereby authorized and directed to make the initial determinations of the maturity dates and amounts, the redemption provisions for the Bonds and whether any portion of the Bonds would be sold as BABs within the parameters set forth herein.

2. All actions taken to date by the officials of the County with respect to the issuance and sale of the Bonds are hereby approved.

3. The full faith, credit and unlimited taxing power of the County as to all taxable property in the County is hereby pledged to the punctual payment of the principal of and interest on the Bonds. Adequate provision will be made for raising annually by taxation of all taxable property in the County of a sum sufficient to pay the principal of and interest on the Bonds as the same shall become due. A tax sufficient to pay when due such principal and such interest shall be annually assessed, levied and collected in like manner with the other taxes of the County and shall be in addition to all other taxes authorized or limited by law.

Additionally, the County may apply any direct payments from the United States Treasury made with respect to the BABs to pay or reimburse the County for payment of interest on BABs.

4. The Bonds shall be executed by the manual or facsimile signatures of the County Mayor, the Chairman of the Board and the County Clerk of Shelby County (the "County Clerk"), and the seal of the Board shall be affixed thereto or reproduced thereon and attested by the County Clerk, either manually or with her facsimile signature. In the event any one or more of the officers, who shall have signed or sealed any of the Bonds, shall cease to be such officer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as provided herein and may be issued as if the person who signed and sealed such Bond has not ceased to hold such office. Any of the Bonds may be signed and sealed on behalf of the County by such person as shall hold the proper office at the time of execution of such Bonds, although, as of the date of such Bonds, such person may not have held such office or have been so authorized.

5. The Preliminary Official Statement relating to the Bonds in substantially the form submitted at this meeting and filed with the minutes hereof, together with such changes, modifications and deletions as the Chief Administrative Officer and Director, Division of Administration and Finance (upon advice of the County Attorney, Bond Counsel and the Financial Advisors) shall deem necessary and appropriate, is hereby approved. The form of the Preliminary Official Statement at its date is "deemed final" by the County within the meaning of 17 C.F.R. Section 240.15c2-12 but is subject to revision, amendment and completion in a final Official Statement. The use and distribution thereof in connection with the sale of the Bonds is hereby approved and authorized. The County Mayor and the Chairman are hereby further authorized to execute and deliver on behalf of the County, the final Official Statement for the sale of the Bonds in

substantially the form of the Preliminary Official Statement, with such changes, modifications and deletions as the officer of the County executing the same upon advice of the County Attorney and Bond Counsel may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the County.

6. The Bonds, respectively, and the provisions for registration to be endorsed thereon shall be in substantially the following form to wit:

UNITED STATES OF AMERICA
STATE OF TENNESSEE
SHELBY COUNTY
GENERAL OBLIGATION PUBLIC IMPROVEMENT AND SCHOOL BOND
2009 SERIES B[C][Federally Taxable-Build America Bonds-Direct Payment]

No. _____ \$

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Originally Dated</u>	<u>CUSIP</u>
	_____ 1,		

Registered Owner: -----CEDE & CO.-----

Principal Sum:

KNOW ALL MEN BY THESE PRESENTS, that Shelby County, one of the counties of the State of Tennessee, hereby acknowledges itself indebted and for value received will pay the registered owner named above, or registered assigns (herein, the "Holder") on the maturity date specified above upon presentation and surrender hereof, the principal sum as specified above, with interest thereon from and including the date hereof until payment of said principal sum has been made or duly provided, at the rate per annum set forth above, payable on _____ 1, 200_ and semi-annually thereafter on the first day of [_____] and the first day of [_____] in each year.

Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond when due to the County at the principal office of the County Trustee or an agent appointed by the County, as Paying Agent. Interest on this Bond is payable by check or draft mailed to the person whose name appears as registered owner hereof on the registration books maintained by or on behalf of the County on the 15th day of the month immediately preceding the interest payment date.

[The Bonds maturing on or after _____ shall be subject to redemption prior to maturity on or after _____ in whole or in part at any time in any order of maturity selected by the County (and by lot within a maturity if less than a full maturity is redeemed) at a price equal to par plus accrued interest.]

Notice of any such redemption, if any, shall be at least thirty (30) but not more than sixty (60) days prior to the redemption date and shall be filed with the County Trustee, or an agent of the County maintaining the registration books of the County, as Registrar, and be mailed by registered or certified mail, postage pre-paid, to all registered owners of Bonds to be redeemed, at their addresses as the same appears of record on the registration books of the County maintained by or on behalf of the County. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date, if payment thereof has been duly made or provided for. The privilege of transfer or exchange of any of the Bonds so called for redemption shall be suspended for a period commencing fifteen (15) days next preceding the selection of any Bonds to be redeemed or thereafter until after mailing of any notice of redemption. The notice of redemption shall set forth (i) the respective dates on which notice of redemption was published and for which redemption was fixed; (ii) the redemption price to be paid; (iii) that the Bonds being redeemed will be redeemed at the office of the County Trustee, or, if the County has appointed a Paying Agent, at the principal corporate trust office of the Paying Agent; (iv) the CUSIP numbers of the Bonds called for redemption and, if less than all the Bonds are called for redemption, the distinctive numbers and letters, if any, and the called amounts of such Bonds to be redeemed; (v) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed; and (vi) the respective interest rates and the maturity dates of the Bonds called for redemption. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds of the same maturity, bearing interest at the same rate and in the aggregate principal amount equal to the unredeemed portion of such Bond, will be issued. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice of redemption shall not affect the validity of the proceedings for the redemption of the Bonds for which proper notice has been given.

This Bond is one of a series of Bonds aggregating \$_____ issued under the Constitution and statutes of the State of Tennessee, including Chapter 770 of the Public Acts of the General Assembly of the State of Tennessee, 1986, as amended, being Sections 9-21-101 to 9-21-216, inclusive, and Chapter 102 of the Public Acts of the General Assembly of the State of Tennessee, 1947, as amended, being Sections 49-3-1001 to 49-3-1007, inclusive, of the Tennessee Code Annotated and pursuant to resolutions adopted by the Board of County Commissioners of Shelby County, Tennessee (collectively the "Bond Resolution"), for the purpose of providing moneys to finance or refinance certain public works projects and school purposes in Shelby County, Tennessee.

The series of bonds of which this Bond is a part are issuable as fully registered bonds without coupons. Subject to certain limitations and upon payment of any tax or other governmental charges, if any, such registered bonds without coupons may be exchanged at the offices of the County Trustee, as Registrar, or if the County has appointed an agent as Registrar, at the principal corporate trust office of such Registrar, for a like aggregate principal amount of registered bonds without coupons of other authorized principal sums and of the same series, interest rate and maturity.

Shelby County and any Paying Agent and Registrar may treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all other purposes and shall not be affected by any notice to the contrary, whether this Bond be overdue or not.

By purchase and acceptance of a Bond, the beneficial owner agrees that the County shall have no responsibility or liability for the action or inaction of The Depository Trust Company or any of its participants, nominees or successors as depository in connection with the Bonds.

THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF SHELBY COUNTY, TENNESSEE, ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND, AND THERE SHALL BE ANNUALLY LEVIED, ON ALL PROPERTY SUBJECT TO TAXATION BY SHELBY COUNTY, A TAX SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THIS BOND AS THE SAME SHALL BECOME DUE.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist, happen and be performed precedent to, and in the issuance of this Bond, have been done, have existed, have happened and have been performed in regular and due form and manner as required by the Constitution and statutes of the State of Tennessee, and that this Bond together with all other indebtedness of Shelby County, Tennessee, does not exceed any limit prescribed by the Constitution and statutes of said State.

This Bond shall not be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the County Trustee or other Paying Agent, as authenticating agent, of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Shelby County has caused this Bond to be executed by the manual or the facsimile signature of its County Mayor, Chairman of the Board of County Commissioners and County Clerk, a facsimile of the seal of the Board of County Commissioners of Shelby County to be impressed, imprinted or otherwise reproduced thereon and attested to by the manual or the facsimile signature of its County Clerk, all as of the originally dated date as set forth above.

Attest:

[SEAL]

COUNTY MAYOR

COUNTY CLERK

CHAIRMAN, BOARD OF COUNTY
COMMISSIONERS

Dated: _____

Certificate of Authentication

This Bond is one of the Bonds
described in the within
mentioned Bond Resolution

as Paying Agent

By: _____
Title:

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name, Address and Taxpayer Identification No. of Assignee) the within bond and does hereby irrevocably constitute and appoint _____ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signatures:

Signature Guarantee:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

[END OF BOND FORM]

7. The appropriate officers of the County are hereby authorized to prepare an Official Statement pertaining to the Bonds, making such modification of and alterations to the Preliminary Official Statement as such officers shall deem necessary or desirable. The Mayor and the Chairman of the Board are hereby authorized to execute and deliver copies of the Official Statement to the successful bidders for the Bonds.

8. Pursuant to provisions of Section 9-21-108 of the Tennessee Code Annotated the Board hereby delegates to the County Mayor the authority to sell the Bonds to the lowest qualified bidder or bidders in accordance with the parameters set forth in paragraph 1 hereof.

9. The County agrees that it will not direct the investment of the proceeds of the Tax-Exempt Bonds or any other funds in a manner, or fail to comply with any rebate requirement or other limitation on investment in nonpurpose obligations which may apply, which would cause the Tax-Exempt Bonds to be "arbitrage bonds" as defined in Section 148 of the Code, or the regulations thereunder, proposed or in effect as of the date of issuance of the Tax-Exempt Bonds, or which hereafter may become applicable to the Tax-Exempt Bonds. The County covenants that it shall comply with each requirement of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the County further covenants that it shall comply with the terms of a Tax Certificate (the "Tax Certificate") executed by the County on the date of initial issuance and delivery of the Tax-Exempt Bonds (as said Tax Certificate may be amended from time to time) as a source of guidance for achieving compliance with the Code. The County covenants that it shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Section 148(f) of the Code. Notwithstanding any other provision of this Resolution to the contrary, the covenants contained in this Paragraph shall survive the payment of the Tax-Exempt Bonds and the interest thereon, including any payment or defeasance thereof.

The Code imposes requirements on BABs that the County must continue to meet after such BABs are issued in order to receive federal direct payments from the United States Treasury. The County covenants to comply with the requirements of the Code with respect to any BABs so that the County may receive federal direct payments from the United States Treasury. In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of any BABs. The County covenants that it shall make any and all payments required to be made to the United States Department of the Treasury in connection with the BABs pursuant to Section 148(f) of the Code. Notwithstanding any other provision of this Resolution to the contrary, the covenants contained in this Paragraph shall survive the payment of the BABs and the interest thereon, including any payment or defeasance thereof.

10. The Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC"). Payment of interest for the Bonds shall be made by same-day funds to the account of Cede on or before the applicable interest payment date for the Bonds at the address indicated for Cede in the registry books of the County Trustee (the

"Trustee"). Beneficial owners of the Bonds will not receive physical delivery of bond certificates nor will they have a right to receive a certificate during the period that the Bonds are immobilized in the custody of DTC. Purchases of Bonds by the public shall be made through brokers and dealers (who must be or act through "Participants" in DTC) in principal amounts of \$5,000 or multiples thereof.

Bond certificates or replacement bonds (the "Replacement Bonds") shall be issued directly to owners of the Bonds of each series other than DTC, or its nominee, in the event that (a) DTC determines not to continue to act as securities depository for the Bonds; (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties as securities depository of immobilized certificates; or (c) the County has determined that it is in the best interest of the County or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the County undertakes no obligation to make any investigation to determine the occurrence of any event that would permit the County to make any such determination). Upon occurrence of an event described in (a) or (b) above, the County shall attempt to locate another qualified securities depository to replace DTC. If the County has made the determination in (c) above or fails to locate another qualified securities depository to replace DTC upon the occurrence of an event described in (a) or (b) above, the County shall have executed, authenticated and delivered the Replacement Bonds, in certificate form to the beneficial owners of the Bonds or their nominees. Interest on the Replacement Bonds shall be payable by check or draft mailed to each registered owner of such Replacement Bond at the address of such owner as it appears in the registry books of the County Trustee. Principal of and redemption premium, if any, on such Replacement Bonds shall be payable, when due, upon presentation and surrender thereof to the County or an agent of the County to be designated in the Replacement Bonds. Replacement Bonds will be transferable only by presentation and surrender to the County, the County Trustee or the Registrar approved by the County together with an assignment duly executed by the owner of the Replacement Bonds or by his representative in form satisfactory to the County Trustee or the Registrar appointed by the County and containing information required by the County in order to effect such transfer. The foregoing notwithstanding definitive Replacement Bonds shall be issued only upon surrender to the County, the County Trustee or the Registrar approved by the County of the Bond of each maturity by DTC, accompanied by registration instructions for the definitive Replacement Bonds for such maturity from DTC. The County shall not be liable for any delay in the delivery of such instructions and conclusively may rely on and shall be protected in relying on such instructions of DTC. As long as Cede is the registered owner of the Bonds, as the nominee for DTC, principal and interest shall be payable to Cede, as nominee of DTC, which will, in turn, remit such principal and interest to DTC Participants for subsequent disbursements to the beneficial owners of the Bonds. The County Trustee is hereby appointed to act as Registrar and Paying Agent with respect to the Bonds delivered to DTC and its successors or, in the case of Replacement Bonds (as defined herein), directly to the owners of the Bonds.

Notice of any redemption shall be at least thirty (30), but not more than sixty (60), days prior to the redemption date and shall be mailed by the County Trustee to the registered owner of the Bonds. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date. The privilege of transfer or exchange of any of the Bonds so called for redemption shall be suspended for a period commencing fifteen (15) days next preceding the selection of any

Bonds to be redeemed or thereafter until after mailing of any notice of redemption. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice of redemption shall not affect the validity of the proceedings for the redemption of the Bonds for which proper notice has been given if payment thereof has been duly made or provided for.

While DTC shall act as securities depository for the Bonds, in connection with any redemption of the Bonds, it shall be the sole responsibility of DTC to select the principal amounts of the Bonds credited to each beneficial owner to be redeemed and for notifying each such beneficial owner.

Notwithstanding any other provision in this Resolution to the contrary, as long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC.

CUSIP identification numbers shall be imprinted on the Bonds but shall not be deemed to be a part of the Bonds or a part of the contract evidenced thereby and no liability shall hereafter attach to the County or any of the officers or agents thereof because of or on account of said CUSIP identification numbers.

11. The proceeds received from the sale of the Bonds shall be used to refinance all or a portion of the County's outstanding EMCP Notes previously issued for various public works projects for the County as they relate to schools, roads, health facilities, auditoriums and miscellaneous projects of the County and for school purposes and related costs of issuance.

12. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions hereof or of the Bonds issued hereunder.

13. A. The County hereby agrees, in accordance with the provisions of Rule 15c2-12 in effect from time to time and applicable to the Bonds (the "Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable regulation, from time to time (each such information repository, a "MSIR"), within 180 days following the end of each Fiscal Year of the County, commencing with the Fiscal Year ending June 30, 2009, annual financial information and operating data concerning the County, consistent with the financial information and operating data included in the official statement prepared with respect to the Bonds, and, if not included with the annual financial information, then, when and if available, audited financial statements prepared in accordance with generally accepted accounting principles applicable to the County. A copy of such annual financial information and

operating data will be provided by the County to the initial purchasers of the Bonds. If audited financial statements are not available at the time of required filings as set forth above, unaudited financial information shall be filed pending the availability of audited financial statements. (The information required to be disclosed in this subsection A shall be referred to herein as the "Annual Report").

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

B. The County agrees to provide or cause to be provided, in a timely manner, to each MSIR notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders;
- (viii) Bond calls (other than scheduled mandatory redemption the terms of which are set forth in the official statement related to the Bonds and for which notice has been provided in accordance with the Rule) or any acceleration of the maturity thereof;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities;
- (xi) Rating changes; and
- (xii) Any change in the County's Fiscal Year.

C. The County agrees to provide or cause to be provided, in a timely manner, to each MSIR, notice of a failure by the County to provide the Annual Report described in subsection A above on or prior to the date set forth therein.

D. The County reserves the right to terminate its obligation to provide Annual Report and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule (either by the redemption in full or legal defeasance of all such Bonds). If the County believes such condition exists, the County will provide notice of such termination to the MSIRs.

E. The County agrees that its undertaking pursuant to the Rule set forth in this paragraph 13 is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by any holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

F. Any voluntary inclusion by the County of information in its annual report of supplemental information that is not required hereunder shall not expand the obligations of the County hereunder and the County shall have no obligation to update such supplemental information or include it in any subsequent report.

G. The covenants contained herein are solely for the benefit of the holders and beneficial owners of the Bonds and shall not create any rights in any other parties.

H. Notwithstanding any other provision of this Resolution, the County may amend this paragraph 13 and any provision of this paragraph 13 may be waived, provided that the following conditions are satisfied:

(1) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(2) The undertaking, as amended or taking into account such waiver would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not materially impair the interests of holders and beneficial owners as determined either by parties unaffiliated with the County or obligated person (such as the trustee or Bond Counsel), or by an approving vote of holders pursuant to the terms of the Resolution.

In the event of any amendment or waiver of a provision of this paragraph 13, the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of annual financial information or operating data being presented by the County. In addition, if the

amendment or waiver relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as set forth in subsection B and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

14. The County hereby finds that the term of the Bonds does not exceed the reasonably expected economic life of the projects being financed by such series of Bonds, which economic life in the aggregate is expected to equal or exceed thirty (30) years.

15. Prior to the application of the Tax-Exempt Bond proceeds to the refinancing of all or a portion of the EMCP Notes the County shall separately account for and invest such Tax-Exempt Bond proceeds in investments, which are qualified for the investment of tax-exempt bond proceeds in accordance with the Tax Certificate relating to the Tax-Exempt Bonds. Such Tax-Exempt Bond proceeds shall be used to refinance such EMCP Notes as contemplated by this Resolution within ninety (90) days of the date of delivery of the Tax-Exempt Bonds.

16. Pursuant to the requirements of Section 49-3-1002(d) of the T.C.A. the County hereby designates approximately \$120,000,000 of the Bonds as "School Bonds," the proceeds of which were used to refinance a portion of the EMCP Notes used for school purposes.

17. The County hereby appoints Public Financial Management, Inc. and ComCap Advisors, a division of Community Capital, Memphis, Tennessee as the County's Financial Advisors for the Bonds.

18. The appropriate officials of the County are hereby authorized to execute and deliver all papers, certificates, receipts, opinions and other documents they may deem necessary or desirable, and to take all steps they may deem necessary or desirable to effect the prompt delivery of and payment for the Bonds and the transactions contemplated hereby.

19. All resolutions in conflict or inconsistent herewith are hereby repealed insofar as any conflict or inconsistency exists.

20. All notices, certificates, requests, requisitions or other communications to the County, shall be either delivered or addressed as follows, to the County, to Shelby County Administration Building, 160 North Main Street, Suite 801, Memphis, Tennessee 38103, Attn: Chief Administrative Officer and Director, Division of Administration and Finance, Telephone (901) 545-4269, Facsimile (901) 545-3796 with a copy to the County Trustee, to Shelby County Administration Building, 160 North Main Street, Suite 1150, Memphis, Tennessee 38103, Attn: County Trustee, Telephone (901) 545-4472, Facsimile (901) 545-4473. The County or the County Trustee, by notice given hereunder to each of the other notice parties under this Resolution, may designate any further or different addresses or telephone numbers or

other designees to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

21. This resolution shall take effect immediately.

Chairman

Date:_____

ATTEST:

Clerk of the County Commission

County Mayor

Date:_____

Adopted:_____